

SB0828 – State Finance – Delinquent Federal Funds

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Position: FAV



TESTIMONY

SB0828 – State Finance – Delinquent Federal Funds (Federal Obligations Enforcement Act)

Bill Sponsor: Senator Hester

Committee: Budget and Tax

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, Co-Chair

Position: FAVORABLE

I am submitting this testimony in support of **SB0828** on behalf of the Maryland Legislative Coalition. We are an association of unpaid citizen advocates—individuals and grassroots groups in every district across the state—representing and supporting more than 30,000 Marylanders.

Frankly, the federal landscape has become unpredictable to the point of dysfunction. Though I wish this bill could go further to address the madness at the federal level—the chronic delays, the politicization of routine funding, and the administrative obstacles that undermine state planning, though SB0828 is a necessary start.

Maryland relies on timely reimbursements to operate essential programs—healthcare, transportation, public safety, and emergency response. When those funds are delayed or withheld, the State is forced to absorb costs that were never intended to fall on Maryland taxpayers. SB0828 helps shield Maryland from that instability by giving the State a structured, enforceable process to recover what it is owed.

The bill asserts Maryland’s right to enforce existing obligations and provides a practical means for doing so. The bill authorizes the Central Collection Unit to pursue delinquent federal obligations, establishes procedures for placing liens on federal property located in Maryland, and permits the Comptroller to withhold payments to the federal government when appropriate. These tools strengthen Maryland’s ability to protect its fiscal stability and ensure that federal commitments are honored.

Voters deserve to know that their representatives are taking proactive steps to safeguard Maryland’s financial stability and maintain the continuity of essential services. For these reasons, we respectfully urge a **FAVORABLE** report on SB0828.

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Uploaded by: Comptroller Brooke Lierman

Position: FAV



Senate Bill 828— Federal Obligations Enforcement Act

Senate Budget & Tax Committee

March 4, 2026

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee:

This bill addresses a situation that demands a principled response: a federal government that refuses to spend funds Congress has lawfully appropriated and courts have ordered disbursed. SB 828 gives Maryland a structured mechanism to act.

What the bill does

SB 828 authorizes the Board of Public Works, by majority vote, to declare the federal government delinquent in funds owed to the State. Those amounts are then referred to the Central Collection Unit of the Department of Budget and Management, which — in consultation with the Attorney General — may collect the funds, place liens on federal property in Maryland, and direct the Comptroller to withhold State payments to the federal government in a corresponding amount..

Why it is important

Maryland sends hundreds of millions of dollars to the federal government each year. When the federal government simultaneously withholds congressionally approved funds that support education, health care, and public safety, Marylanders pay twice — once in federal taxes and again through lost services.

The authority granted to this office under proposed §4-115 of the State Government Article is carefully constructed. It is triggered only after the Board of Public Works has made a formal delinquency determination and only for amounts that have been referred through the Central Collection Unit. This is a deliberate, multi-step process with appropriate institutional checks — not a unilateral action.

Responsible stewardship of State finances means ensuring Maryland meets its obligations and that Maryland is not left holding the bill when the federal government fails to meet its own.

I urge the committee's favorable consideration and am happy to answer any questions.

My best,

Brooke Lierman
Comptroller



Testimony in support of SB0828 - Federal Obligatio

Uploaded by: Richard KAP Kaplowitz

Position: FAV

03/04/2026

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#/0828 – FAVORABLE

State Finance - Delinquent Federal Funds (Federal Obligations Enforcement Act)

TO: Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee

FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#0828, State Finance - Delinquent Federal Funds (Federal Obligations Enforcement Act)

Governor Moore of Maryland and the legislature have been forced to deal with a ... *State of Emergency to Address Economic Impacts of Federal Government Shutdown and Distribute \$10 Million in Emergency Funding to Fight Food Insecurity*¹ This occurred during the 2025 federal government shutdown.

In 2025-2026, the federal government, under the Trump administration, initiated policies that threatened to withhold billions in funding from Maryland, including \$125 million for schools, millions in AmeriCorps funding, and SNAP benefits. Maryland's Attorney General launched successful legal challenges to protect these funds, and the state took measures, such as allocating \$10 million in emergency funding for food insecurity, to counteract potential losses.²

Key details regarding the withheld funds and responses include:

- Education and Services
- AmeriCorps Funding
- Emergency & Food Assistance
- State Legal Actions.
- Other Potential

Despite these challenges, lawsuits led by the Attorney General's office resulted in the release of funds and protected essential public services for Maryland residents. But Maryland continues to face a Federal Government that has become a deadbeat debtor to Maryland. The current Federal Administration's relationship to Maryland is "*A deadbeat is someone who owes money or has other financial obligations and doesn't meet them. Deadbeats don't pay their bills.*"³

¹ <https://governor.maryland.gov/news/press/pages/icymi-governor-moore-declares-state-of-emergency-to-address-economic-impacts-of-federal-government-shutdown-and-distribute.aspx>

² Google AI Search "federal funds withheld from Maryland"

³ <https://www.vocabulary.com/dictionary/deadbeat>

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This bill will respond to this deadbeat situation by reserving jurisdiction with respect to certain federal land in the State under certain conditions; authorizing the Central Collection Unit of the Department of Budget and Management to collect a certain amount of delinquent federal funds; authorizing the Central Collection Unit, under a certain circumstance, to collect certain federal funds owed to the State, place liens on federal property in the State, and direct the Comptroller to withhold certain payments to the federal government; etc.

If the Federal Government fails to uphold their disbursements to Maryland, we must withhold monies due to them in order to take care of our residents.

I respectfully urge this committee to return a favorable report and pass SB0828.